

**DEPARTMENT OF REAL ESTATE**

PO Box 187000  
Sacramento, CA 95818-7000  
916 227-0770



January 16, 2009

FN Mortgage Corporation  
Hamed Omer, Designated Officer  
2001 E. 4<sup>th</sup> Street #106  
Santa Ana, CA 92705

RE: Advance Fee Agreement

Dear Mr. Omer,

This letter will acknowledge our receipt of the revised advance fee agreement and accounting format on December 31, 2008.

The Department has no objection to your use of the advance fee agreement and accounting format as submitted.

Please note that any changes to the agreement or the accounting format must be submitted to the Department for review before it is used. Any promotional materials that the broker may subsequently wish to use will require our prior review, as well.

This letter does not constitute, nor may the broker make any representation that the Department of Real Estate has endorsed or approved any aspect of the broker's business activities.

Sincerely,

Sylvia I. Yrigollen  
Senior Deputy Commissioner  
Advance Fee Review Section

# Mortgage Loan Consultation Agreement

## MORTGAGE LOAN CONSULTATION AGREEMENT

This Mortgage Loan Consultation Agreement ("Agreement") is made on \_\_\_\_\_, by and between FN Mortgage Corporation dba 1st American Funding, and

\_\_\_\_\_  
 ("Client").

The purpose of this Agreement is to set forth a specific and complete description of all services to be provided by 1st American Funding to Client, and to set forth all fees to be charged by 1st American Funding for such services.

### Article 1. Description of Services and Fees

**Section 1.01. Services to Be Provided by 1st American Funding.** 1st American Funding will provide advice and assistance to Client in attempting to resolve difficulties Client is experiencing with Client's mortgage which is secured by Client's real property.

1. Conduct an initial interview with Client, by telephone or in person, as Client prefers. Typically, initial interviews require approximately one (1) hour. However, there is no time limit on this interview. The interview will last as long as reasonably necessary for 1st American Funding to fully understand the Client's current financial situation, which would include their income situation, any hardship such as loss of job, reduced job hours, mortgage payment increase, illness, any possible factors in Client's current financial situation which have given rise to, and which are impacting, the Client's ability to remain current with Client's mortgage obligations, and to respond to Client's questions and inquiries.

2. Based on the results of the preceding interview, we will do the followings:

- preparation of complete modification package including, but not limited to hardship letter, cost-benefit analysis to convince your lender to modify, cash flow and balance sheet development to verify the payment you can afford.
- Unlimited negotiation with your lenders and/or their attorneys
- Loan modification proposal, we put forth specific terms for your modification, after careful and detailed discussions with you to determine your needs.
- Full current market analysis, showing the true valuation of your property.
- Negotiating the rate and term of Client's existing mortgage from adjustable to a fixed rate, waiving prepayment through this transaction; negotiating a "work-out" agreement for bringing Client's mortgage current; negotiating for balance reduction of Client's real property based on today's market valuation.
- We propose the lender place a moratorium on all principal and interest payments with no accrual of the interest, and no reporting of negative information to the major credit reporting bureaus.

**Section 1.02. Total Fee to Be Charged Client.**

1st American Funding shall earn (1) a fee of up to One Thousand Eight Hundred Dollars (\$1,800.00) for provision of the services outlined in Section 1.01 above; and, 1st American Funding shall potentially earn an additional fee of One Thousand Dollars (\$1,000.00) if, and only if, 1st American Funding is able to achieve Client's final result acceptable to Client.

**Section 1.03. Fees charged to client .**The entire potential fee of Two Thousand Eight Hundred Dollars (\$2,800) referred to in this Section shall be deposited by Client into 1st American Funding's Client Trust Account (exhibit A item # 2 ) concurrently with the signing of this Agreement. No part of said fee shall be paid to or for the benefit of 1st American Funding unless and until it has been earned by 1st American Funding, in accordance with the following schedule:

1. Completion of item 1 from Section 1.01    \$ 600.00   1 week from start
2. Completion of item 2 from Section 1.01    \$ 1200.00   2-3 weeks from start
3. Completion and achieving final result        \$ 1,000.00   90-120 days from start

**Section 1.04. Verified Accounting.** The Broker will deposit the advance fee into Broker trust account # 00977004519 at Cal National Bank. The broker will provide a verified accounting of these funds to the principal at the end of each calendar quarter following the execution of this agreement by the principal, and at the completion or termination of this agreement. Each accounting shall be in the form of Exhibit A attached hereto, and shall provide the following information:

1. Client's name;
2. A description of services provided by 1st American Funding to date;
3. Identification of the Broker Trust Account into which Client's funds have been deposited;
4. The total amount of funds collected from Client.
5. Lender's name, account number, date package submitted.

**Notice: the amount or rate of fees specified in this agreement for services is not fixed by California law. Fees are set by each broker individually and are subject to negotiation between the client and the broker.**

**Section 1.05. No Guarantee.**

1st American Funding will use its best efforts to provide the services set forth in Section 1.01 above, in order to achieve Client's desired result. However, by signature below, Client acknowledges and agrees that 1st American Funding can not make any guarantee of final results.

**Section 1.06 Term.**

Client may terminate this Agreement, at any time, with or without cause. Unless renewed, in a writing signed by both 1st American Funding and Client, this Agreement shall automatically terminate at the end of ninety (90) days. Upon termination of this Agreement, for any reason, any and all unearned funds shall be refunded to client.

**Article 2. Services Which are Not Covered by this Agreement**

**Section 2.01. Mortgage Brokerage Services.** By signature below, Client acknowledges that the services to be provided by 1st American Funding pursuant to this Agreement are limited to those services specifically set forth in Section 1.01. Should Client elect to utilize the mortgage brokerage services of 1st American Funding in connection with the making or arranging of a mortgage loan, any such mortgage brokerage services would not be covered by this Agreement and would be the subject of a separate and different agreement or understanding, including a separate and different fee arrangement.

**Section 2.02. Real Estate Brokerage Services.** By signature below, Client acknowledges that the services to be provided by 1st American Funding pursuant to this Agreement are limited to those services specifically set forth in Section 1.01. Should Client elect to utilize the real estate brokerage services of 1st American Funding in connection with the listing, selling and/or purchase of real property, including but not limited to the real property security for the mortgage(s) which are the subject of this Agreement, any such real estate brokerage services would not be covered by this Agreement and would be the subject of a separate and different agreement or understanding, including a separate and different fee arrangement.

**Section 2.02. Tax and Legal Services.** By signature below, Client acknowledges that the services to be provided by 1st American Funding pursuant to this Agreement are limited to those services specifically set forth in Section 1.01. Client understands and agrees that 1st American Funding is a real estate broker, duly licensed as such by the California Department of Real Estate. 1st American Funding is not an attorney and can not provide legal advice or consultation. 1st American Funding is not an accountant and can not provide tax advice or consultation. Client is urged to seek the services of legal and/or tax professionals in connection with the services and matters which are the subject of this Agreement.

### **Article 3. Cooperation of Client**

**Section 3.01. Authorization to Access Credit Reports.** By signature below, Client authorizes 1st American Funding to access Client's credit reports as and when 1st American Funding deems appropriate during the term of this Agreement. By signature below, Client also authorizes 1st American Funding to inspect, review and analyze each such credit report, in accordance with Article 1 above, and to maintain copies of each such credit report in Client's file.

**Section 3.02. Full Disclosure.** By signature below, Client represents and warrants to 1st American Funding that all information provided by Client to 1st American Funding has been, and shall be, in all respects true and correct, to the best of Client's knowledge and belief.

**Section 3.03. Communications with Mortgage Lienholders.** Client agrees to direct all communications with Client's mortgage lienholders (i.e., Client's lenders) through 1st American Funding during the term of this Agreement.

**Section 3.04. Contact Information.** At all times during the term of this Agreement, Client agrees to keep 1st American Funding fully informed of Client's contact information, including telephone number, e-mail address if available, and current home and mailing addresses.

**Section 3.05. Reasonable Cooperation.** Client agrees to provide such further information and to perform such additional acts as are reasonably necessary and appropriate to carry out the intent and purpose of this Agreement.

### **Article 4. Dispute Resolution**

**Section 4.01. Binding Arbitration.** Arbitration is the referral of a dispute to one or more impartial persons for final and binding determination. It is private and informal, designed for quick, practical, and inexpensive settlements. Arbitration is an orderly proceeding, governed by the rules of procedure and standards of conduct prescribed by law. It is agreed as follows:

a. Any controversy or claim arising out of or relating to this Agreement and/or the relationship by and between Client and 1st American Funding, shall be resolved by binding arbitration. The arbitration shall be conducted in the County of Orange, California before a sole arbitrator in accordance with the laws of the State of California. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. Judgment upon any award rendered by such arbitrator shall be binding and final and may be entered in any court of competent jurisdiction.

b. Client has been advised, understands and agrees that this "Binding Arbitration" provision is intended to bar and has the legal effect of barring any suit in the courts, with the exception of the enforcement of an arbitrator's award or judgment, between Client and 1st American Funding and effectively constitutes a waiver of the right to trial by jury.

c. 1st American Funding agrees to pay the arbiter's fee, if and when required by law to do so.

**I/WE HAVE READ AND UNDERSTAND THE FOREGOING NOTICE AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "BINDING ARBITRATION" PROVISION TO NEUTRAL BINDING ARBITRATION.**

Client

Client

By: \_\_\_\_\_

By: \_\_\_\_\_

### **Article 5. Miscellaneous**

**Section 5.01. Applicable Law.** This Agreement shall be governed by and construed under the laws of the State of California, without regard to its conflicts of laws principles.

**Section 5.02. Amendment.** Except as set forth herein, this Agreement may not be amended or modified orally and no provision of this Agreement may be waived or amended except in a writing which makes reference to this Agreement and which is signed by Client and 1st American Funding.

**Section 5.03. Invalid or Ineffective Provision.** If any provision in this Agreement is determined to be invalid, illegal, or otherwise unenforceable, that determination will not affect any other provision of this Agreement. The invalid provision will be severed from this Agreement and all remaining provisions will continue to be of full force and effect.

**Section 5.04. Execution in Counterparts and Facsimile Copies.** This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same instrument. It is agreed that a signed copy of this Agreement transmitted by facsimile transmission shall be binding upon the sending party to the same extent as a signed original of this Agreement.

**Section 5.05. Time Limit for Disputes.** Any arbitration of any matter referred to in Article 4 must be commenced within the time allowed by law.

**Section 5.06. Authority to Contract and Bind.** The undersigned persons each represent that he/she is authorized and has the legal capacity to enter into this Agreement.

“Notice: California Civil Code Section 2945.4 prohibits any real estate licensee from claiming, demanding, charging, collecting or receiving any compensation from a person whose residence is in foreclosure until all the promised services have been fully performed and completed .

**DO NOT SIGN THIS AGREEMENT IF A NOTICE OF DEFAULT HAS BEEN RECORDED AGAINST THE PROPERTY**

\_\_\_\_\_  
Initial

\_\_\_\_\_  
Initial

**CLIENT(PRINCIPAL/PROPERTY OWNER) CERTIFIES THAT A NOTICE OF DEFAULT HAS NOT BEEN RECORDED AGAINST THE PROPERTY,**

\_\_\_\_\_  
Initial

\_\_\_\_\_  
Initial

**Information regarding the loans and related property (“subject property” for which the loan modification services will be provided:**

Lender Name \_\_\_\_\_

Loan Account Number \_\_\_\_\_

Address of Property \_\_\_\_\_

Description of existing loan obligation(s) on the subject property \_\_\_\_\_

\_\_\_\_\_

2<sup>nd</sup> Lender Name \_\_\_\_\_

2<sup>nd</sup> Loan Account Number \_\_\_\_\_

Date Package was submitted: first week from start of application \_\_\_\_\_

**AGREED AND ACCEPTED:**

Dated:

Client

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(Client signature)

**AGREED AND ACCEPTED:**

Dated

Fn Mortgage  
dba 1st American Funding Mortgage Corporation

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(Hamed Omer)



**Exhibit A****Advance Fee Accounting**

Dated Funds Collected: \_\_\_\_\_

Amount: \_\_\_\_\_

1. Client: \_\_\_\_\_

Client: \_\_\_\_\_

2. Identification of the Broker Trust Account into which Client's funds have been deposited:

Broker Trust Account 0097004519, located at

Cal National Bank

13471 Newport Ave.

Tustin, Ca 92780

3. The total amount of funds collected from Client:

\$ \_\_\_\_\_

**Date Recipient Amount****Balance/Refund \$** \_\_\_\_\_

I attest that the above accounting is true and correct.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_ at Orange, California.

Hamed Omer

\_\_\_\_\_  
Broker Name\_\_\_\_\_  
Signature